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25X1

CENTRAL INTELLIGENCE AGENCY

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- d) Turbines
- e) Steam and gas traction engines
- f) Machinery for vessels
- g) Agricultural machinery
- h) Power work shop (Kraftwerkstatt) which handles the production of wheels, axles, and repairs, the latter particularly for Soviet railway gauge.
- i) General work shop. This work shop regularly receives component parts from other Hungarian factories and all final assembly work is carried out here. At the present time this shop is working on 30 turbines for Soviet Russia, smelting oven equipment for 250-ton furnaces for Hungary, 300 locomotive drive-axles for Soviet railway gauge, 500 small Diesel marine engines for Russia, and 500 main transmission axles for Russia.

II. The Machine Tool Plant: Foundations were completed in 1948 and the new installations are now in production. Additional installations are now under construction. At/^{the}present time this plant is manufacturing:

- a. 7.62 cm cannons; monthly output estimated at 450.
- b. 45 mm anti-aircraft guns; an estimated 900 per month.
- c. Aircraft parts.

The completed cannons will be taken over by a combined Soviet-Hungarian Commission. This plant receives its raw materials from the USSR.

III. The Nationalized Smelting Furnace (MAVAG Kohaszati Nemzeti Vallalat):

Jozsef Herceg, an expert since the Horthy era, is general director of this enterprise. Laszlo Nemeth is in charge of the commercial department. A total of 9,000 persons, of which 5,000 are skilled workers, about 500 unskilled workers, 1,500 engineering and administrative officials are employed at this installation. This enterprise operates two ovens which have a monthly production capacity of 1,600 tons of raw iron. Russia supplies the raw materials for both of these ovens, which require about 2,400 tons of iron ore and 300 tons of coke per month. This iron is delivered regularly to the large rolling mill, the large forge of the Dios Győr Machine Tool Plant, and the Martin steel mill which has 14 electric ovens and a monthly output of 1,400 tons.

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